

## **Energy Efficiency Revolving Loan Fund FAQ**

### **What is the Energy Efficiency Revolving Loan Fund?**

The Energy Efficiency Revolving Loan Fund (EERLF) is a \$207,000 revolving loan fund established through the U.S. Department of Energy's Energy Efficiency Community Block Grant. Its purpose is to help finance energy improvements in buildings owned or leased by commercial businesses. The projects that receive loans will be those seeking to fund innovative energy efficiency projects that significantly reduce greenhouse gas emissions. Priority will also be given to projects which create or retain jobs.

### **Is this a loan or a grant program?**

It is a revolving loan fund. We will lend money to businesses for their energy projects. When they repay their loans, we will lend it again to other businesses.

### **How might I benefit from this program?**

Participating in this program will result in reduced energy use and costs for your business, lower carbon emissions, and improve the comfort of the building.

### **What is the funding source for this program?**

Mayor Bernero's Go Green! Office has secured funds from the U.S. Department of Energy allocated under the American Recovery and Reinvestment Act.

### **Who is administering the loan program?**

The Lansing Economic Development Corporation is the loan administrator for this program. The loan guidelines and application are available on their website at: [www.lansingedc.com](http://www.lansingedc.com)

### **I've already done an energy audit. Can I still apply for a grant?**

Yes, we strongly recommend having an investment-grade audit performed prior to applying for the loan in order to reliably demonstrate the projected energy savings and environmental benefits of the proposed project, as well as payback period. However, it is acceptable to perform a preliminary audit prior to applying and then include the cost of a general or investment-grade energy audit as part of your loan request.

### **Can you recommend an energy auditor or contractor?**

We cannot recommend contractors, but suggest you begin the process by consulting your utility provider's commercial energy efficiency program for assistance.

**What types of activities qualify for funding?**

The EERLF is for Lansing-based businesses to help reduce their energy consumption through greater efficiency. Activities eligible for funding include:

- Renewable energy systems such as wind, solar, geothermal, biomass, etc.
- Electrical systems and components including lighting and energy management systems.
- Mechanical systems and components including, but not limited to, HVAC and hot water.
- Information technology energy efficiency upgrades.
- Energy audits that identify measures that is included in the energy efficiency project.
- Design and planning of the energy efficiency project.
- Commissioning, inspections or certification necessary for implementing the energy efficient project.
- Attorney fees for preparation of loan documents and loan closing.

**What size loans will you make?**

Loan size will range from \$50,000 minimum to \$100,000 maximum.

**What are the terms and interest rate of the loan?**

The interest rate charged will be at 1% below the Wall Street Journal Prime Rate, but not less than 3% at time of closing. The loan term is payable in sixty (60) monthly installments (or a maximum of five years). Depending on the interest rate, the Lansing Economic Development Corporation reserves the right to consider length of loan on a case-by-case basis.

**Are there any match requirements for the financing?**

Preference is given to projects with a 50% match with other financial resources that complements the EERLF. The LEDC reserves the right to consider funding up to 100% of the total project cost.

**Will my finance costs be less than my savings?**

That is our goal, but every energy efficiency/conservation project is unique. The Energy Efficiency Loan Committee will make every effort to work with applicants to create a financing package that is cash-flow positive. Pay-back periods will vary with energy costs.

**What are the selection criteria?**

Awards will be based on numerous factors, including:

- Application quality and completeness of the application, project timeline and budget.
- Management Summary and experience of organization and project team.
- Project feasibility and likelihood of success.
- Degree of innovation and significant need.
- Energy and cost savings.
- Project costs and return of investment.
- Greenhouse gas reduction and other environmental benefits.
- Job creation and retention.

**When and how do I apply and what is the schedule for this program?**

Interested applicants will need to schedule a preliminary, pre-screening session on or before February 25, 2011 before making full application so that the Energy Efficiency Loan Committee can obtain

information to evaluate the applicant's fit to the program. Contact Marchelle Smith at 517-485-5419 or [mcsmith@lansingmi.gov](mailto:mcsmith@lansingmi.gov) to schedule this session.

Fully completed applications must arrive at the Lansing Economic Development Corporation by 5:00 p.m. on Friday, March 25, 2011. The Energy Efficiency Loan Committee will review all applications within 30 days of the application deadline. Applications must be submitted as complete documents. Additional information pertaining to an application received after the due date may or may not be accepted. Approved applicants will be notified immediately thereafter. A loan closing date will be scheduled within 60 days of loan approval. All loan applications and supporting documents are to be delivered to:

Marchelle Smith  
Lansing Economic Development Corporation  
401 S. Washington Square, Suite 100  
Lansing, Michigan 48933

### **Who is eligible?**

Any business owner or tenant of commercial property physically located in the City of Lansing. Loans must be used to fully or partially finance energy efficiency and renewable energy projects within buildings operated by the applicant.

### **Do I need to own my building to be eligible?**

No, you do not need to own your building to be eligible; however you will need to provide documentation of the property owner's consent to conduct the project. Additionally, if you lease your space, the terms of the lease must be compatible with return on investment projected in your energy project and the financing terms.

### **How many estimates do you require for a project?**

We need three quotes for a proposed project.

### **What are the costs to me/my business if I participate?**

You will pay for the principal and low-interest on the loan and attorney fees associated with preparation of the loan documents and loan closing.

### **What are the reporting requirements?**

Recipients of the Energy Efficiency Revolving Loan Fund can expect to report on the progress and expenditures on a quarterly basis until the completion of the project. Following completion of the project, you will be required to provide a final report detailing future energy use and environmental benefits to help demonstrate the program's impact. In addition, as these funds have been made available through the American Recovery and Reinvestment Act, you may be required to report on job creation and other factors as well.

### **Will I receive Assistance with Reporting?**

Yes, Mayor Bernero's Go Green! Office is responsible for report administration and will assist you with the requirements.

### **Will my business information be made public if I participate in this program?**

This program uses federal funds, so information relating to your project may be made public if requested through the Freedom of Information Act (FOIA).